



Movement for Canadian Literacy

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Literacy in Canada: It's Time for Action

Recommendations for the House of Commons Standing Committee on Finance

A recent OECD study showed that a 1% increase in adult literacy levels would generate a 1.5% *permanent* increase in GDP per capita.¹ In Canada, that would amount to about \$18 billion a year that could be re-invested in Canadians' priorities.

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¹ Source: *Literacy scores, human capital and growth across fourteen OECD countries*. Organization for Economic Cooperation and Development, Statistics Canada 2004

The Movement for Canadian Literacy

The Movement for Canadian Literacy (MCL) is a national non-profit charitable organization representing literacy coalitions, organizations and individuals from every province and territory. For over twenty-five years, MCL has worked with partners to increase access to quality literacy education for Canadians who need it.

In this brief, MCL calls on the Standing Committee on Finance to recommend the resources necessary to establish a pan-Canadian literacy strategy. Canada's economic and social prosperity will be served if the federal government makes literacy a policy priority.

Canada's literacy challenges are serious.

According to Statistics Canada, as many as 8 million Canadians do not have the literacy skills necessary to prosper in a knowledge-based society and economy.²

For most of these Canadians, the challenge is not simply in *decoding* text, but in *understanding and working with* it. The demands of our knowledge-based society are escalating faster than ever before, and our definition of the minimum literacy skills required to meet the challenges of modern life is evolving to match.³

The International Adult Literacy Survey (IALS) defined literacy as *the ability to use printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential*, and rated peoples' relative ability to deal with the everyday literacy and numeracy demands in their own national context.

In recent years, leaders from government, business, labour, and the NGO community have publicly acknowledged the extent and impact of Canada's literacy challenge and the need for action. The provincial and territorial Premiers (Council of the Federation), Ministers of Education and Labour Market Ministers have also identified this as a priority area for action. The strong and widespread support for action on literacy makes it clear that literacy is an issue not only for those who are marginalized, but for all Canadians, and that the time is right for federal government leadership.

In this brief, the Movement for Canadian Literacy (MCL) outlines the necessity for action, addresses challenges, and provides the Finance Committee with concrete recommendations. Our goal, and we hope the Committee's goal as well, is to ensure that Canada and all Canadians are equipped to face the challenges of a complex world. To help reach that goal, governments must make literacy a policy and funding priority. We cannot truly move forward as a nation if we leave almost half of the Canadian population behind.

² *Reading the Future: A portrait of Literacy in Canada*. Statistics Canada 1996

³ For more, see "Literacy, It's not what it used to be", National Literacy Secretariat Fact Sheets at www.nald.ca/NLS/nlsild/fact8.htm

Literacy advances are key to Canada's economic and social prosperity.

Canada's future economic vitality is threatened by looming labour shortages. The average annual rate of labour force growth is expected to remain below one percent over the next three decades.⁴ The Canada of the future will need all hands on deck. Now more than ever, we need to ensure that all Canadians have the opportunities and resources they need to develop their potential and contribute to our economy.

At the same time, Canada also faces serious social challenges. Our healthcare system is in crisis. More than a million Canadian children live in poverty. A large proportion of Aboriginal peoples are poor and under-skilled. We need increased immigration to counter a declining population. Civic participation and voting rates are down.

Addressing literacy challenges is part of the solution to these and other pressing issues of our time. Improving the literacy skills of Canadians is an investment in a more prosperous, innovative, healthier, safer, more cohesive society. It's an investment in Canadians, and in the inclusive Canada that we all support.

A commitment to literacy will benefit Canada's economy.

A commitment to literacy is crucial to our national prosperity and future competitiveness. In an age when barriers to trade are disappearing, capital can be moved quickly, and natural resources are relatively less important, a skilled workforce is our greatest asset.⁵ Unfortunately, Canada's supply of skilled labour is in serious decline: by the year 2020, labour shortages are expected to reach 950,000.⁶ If we are to meet this challenge, developing a more skilled workforce must be a priority. Sustained and sustainable prosperity requires a significant increase in the productivity of Canadian workers, which in turn depends on building skills for the knowledge-based economy and society. Literacy is the foundation on which these skills are built.

Literacy is also key to an individual's success in the labour market. People with weak literacy skills are more likely to be unemployed, work in lower-paying jobs and live in low-income households.⁷ The unemployment rate for people at the lowest literacy level is 26% compared with 4% for those at the highest levels.⁸

Peoples' earnings rise with their literacy levels. A man with higher literacy skills

⁴ *Skills and Skill Shortages: Trends in Demographics, Education and Training*, Canadian Labour and Business Centre, May 2002.

⁵ *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada, 1997.

⁶ *Labour Market Development Agreements: Their Impact on Education and Training*, Discussion Series, Canadian Alliance of Education and Training Organizations, 2001.

⁷ *The Value of Words: Literacy and Economic Security in Canada*, The Centre for International Statistics, Canadian Council on Social Development (CCSD), 1998.

⁸ *Reading the Future: A Portrait of Literacy in Canada*, Statistics Canada 1996, (Table 2.5)

makes an extra \$585,000 over his lifetime; for a woman, the difference is \$683,000.⁹ Less literate Canadians will pay less taxes and may need to access income supports. The costs are compounded by the impact on the next generation, as parents' literacy levels are a key predictor of the literacy levels of their children - and the adults they will become.

Literacy training puts people in a better position to contribute to the economic development of their communities and our country. A report just released by Statistics Canada and the OECD showed that a 1% increase in adult literacy skills in Canada would generate a 1.5% permanent increase in GDP¹ – that's approximately \$18 billion a year that could be re-invested in Canadians' priorities.

A commitment to literacy will pay social dividends too.

Research shows that improved literacy pays off not only in labour market productivity, but also in better outcomes for children; the pursuit of equity for Aboriginal peoples; better integration of newcomers; lower healthcare costs; safer and more cohesive communities; more successful rehabilitation of offenders; greater civic participation; and more. Improving literacy not only improves outcomes for individuals, families and communities; it alleviates the economic strain that many social problems pose on our society as a whole.

➤ ***Literacy investments reduce child poverty and improve children's prospects for success.***

Today, 1.3 million Canadian children live in low-income households.¹⁰ They are poor because their parents are poor, and often their parents are poor because they lack the literacy skills they need to get decent, well-paying jobs. Undereducation is a key contributor to poverty, which in turn has a dramatic impact on children's school readiness and on their achievement rates once in school. A solid literacy foundation helps parents to provide their children with the foundation for success at school and throughout their lives.

➤ ***Literacy investments promote equity for our Aboriginal peoples.***

The Canadian portion of the 1994/96 International Adult Literacy Survey (IALS) did not include our Aboriginal population. As noted earlier, IALS ranked the literacy skills of almost half of Canadian adults as below the acceptable range, and the reality is that Canada's Aboriginal peoples have even lower literacy rates. One indicator of this is that the proportion of Registered Indians with less than Grade 9 education in 1996 was approximately double that of other Canadians.¹¹ This disadvantage is compounded by literacy's links to poverty, poor health and unemployment.

We must work together to address this education gap. Canada's Aboriginal population is growing more quickly than the overall Canadian population. Between

⁹ *The Economic Benefits of Improving Literacy in the Workplace*, Conference Board of Canada 1997

¹⁰ *1998 Poverty Profiles*, National Council of Welfare

¹¹ *Skills and Skill Shortages: trends in demographics, education and training*, Canadian Labour and Business Centre Handbook, May 2002.

1991 and 1996, the Canadian population grew on average by 1.6% every year.¹² The Aboriginal population increased on average by 3.6% - more than twice as rapidly. We must address issues of economic and social inequity, to ensure that Canada's Aboriginal peoples have the resources they need to thrive as communities, and as full participants and contributors to Canada's future economic and social prosperity. Investment in Aboriginal literacy development is a crucial step towards this goal.

➤ **Literacy investments reduce the strain on our Healthcare System.**

Our healthcare system is in crisis, and any solutions that can help alleviate the pressure should be explored. Less-literate Canadians tend to place greater demands on our health care system, due in part to their relative poverty and poorer overall health; as well as to the likelihood of misunderstanding health information and inappropriate use of medication and/or health services including emergency care. Also, people with literacy issues often don't seek medical help until a health problem has reached a crisis state.¹³

According to one study conducted by the American Medical Association, patients with the lowest literacy levels had average annual health care costs of \$12,974 compared with \$2,969 (US) for the overall population studied. In another study, recorded by the Council on Scientific Affairs, of the 958 low-income patients the study followed over 2 years, patients with weak literacy were nearly twice as likely to have been hospitalized during the previous year (31.5% vs 14.9%), a relationship that persisted after adjustment for health status and various socio-economic indicators.¹⁴

➤ **Literacy investments reduce crime and the costs of crime.**

Studies clearly show that we need to focus crime prevention efforts on children at risk of delinquency, and on the factors that place them at risk. These factors include parental literacy barriers and the often associated unemployment, poverty and isolation. Literacy training provides families at risk with the skills they need to build brighter futures.

For adult offenders, who are three times as likely as the general population to have literacy problems, literacy training offers a new chance at a constructive, productive life. Study after study has confirmed the link. Prison-based education and literacy programs pay off in reduced recidivism rates and economic and social returns that far outweigh the original investments. With literacy and other training, offenders return to their communities with a more positive self-image, pride in their accomplishments, and tools for avoiding one of the main motivators of criminal activity – unemployment.¹⁵ According to the American-based Rand Corporation, \$1

¹² Skills and Skill Shortages: trends in demographics, education and training, Canadian Labour and Business Centre Handbook, May 2002.

¹³ How does literacy affect the health of Canadians? Burt Perrin, Health Canada, 1998.

¹⁴ Health Literacy: Report of the Council on Scientific Affairs

¹⁵ Education programming for offenders, Dennis J. Stevens, College of Public and Community Service, University of Massachusetts.

million invested in prison space for career criminals prevents 60 crimes a year. The same million invested in incentives to graduate from high school, would prevent 258 crimes a year!¹⁶

➤ ***Literacy investments support integration of newcomers.***

Literacy training is crucial to including immigrants and newcomers in Canadian life. It is projected that within the next five to ten years, immigration will account for all of Canada's net labour force growth. Becoming proficient – and literate – in one of Canada's official languages allows new Canadians to access services, training and employment so that they can benefit from and contribute fully to Canadian society. A more literate population is also a more tolerant and cohesive population, in which diversity can thrive.

➤ ***Literacy investments ensure the strength and vitality of our democracy.***

A fully engaged, participant citizenry is key to social and economic strength and vitality. But to participate fully in civic life, citizens must have the skills necessary to access and act on information. Whether casting a ballot, participating in a community forum, accessing programs and services, defending their human rights, or advocating for needed change, an effective democracy requires its citizens to be informed and engaged. Unfortunately, weak literacy skills effectively disenfranchise a large percentage of our population, both Canadian-born and newcomers. Literacy services are one of the supports they need to participate fully in the civic life of our country.

The Case for a Pan-Canadian Literacy Strategy

Despite the economic and social dividends to be gained from strengthening the literacy skills of Canadians, Canada remains one of a very few industrialized countries without a national literacy strategy. This lack of national strategy has led to uneven access to literacy services across the country. Project-based funding leaves little room for long term planning, and most literacy agencies are under-resourced and overextended. Only 5-10 percent of Canadians who could benefit from literacy services are being helped. Of those who do enroll, over 30% drop out – mainly due to socio-economic factors such as job-related pressures, money problems and family responsibilities.¹⁷

Literacy is too important to our nation not to have a national vision and strategy. We need to build a system that has the capacity to meet the learning needs of the millions of adult Canadians now barred from full participation in today's society.

Building a quality system means not only setting up standards and accountability frameworks, but also providing the resources to support excellence – including

¹⁶ *Money Well Spent: Investing in Preventing Crime*, The National Crime Prevention Centre, 1996.

¹⁷ *Who Wants to Learn? Patterns of Participation in Canadian Literacy and Upgrading Programs*, ABC Canada/Literacy BC, 2001

infrastructure, training, research, and technology. It is impossible to deliver quality literacy services over the long term without secure ongoing support.

The National Literacy Secretariat, the only federal agency with a specific literacy focus, has developed an excellent foundation of expertise and partnerships. However, the NLS is constrained by its limited mandate and resources. With an annual budget of approximately \$28 million (roughly that of a large urban high school), the NLS has not had a budget increase since 1997 and recently incurred a \$1 million budget cut.

Leaders from the business, labour, and voluntary sectors, as well as from Canada's Aboriginal communities and from provincial and territorial governments, have voiced the need for a national response to Canada's literacy challenges and are looking to the federal government for leadership and action. While the federal government cannot act unilaterally on literacy, it can play a leadership role by acknowledging literacy as a national priority and dedicating adequate attention and resources to the creation of a pan-Canadian Literacy Strategy.

The blueprint for the Strategy has already been developed and widely endorsed. Last year, after hearing from dozens of witnesses, the all party Standing Committee on Human Resources Development released a report with 21 concrete recommendations for federal action.¹⁸ ***We urge the Finance Committee to review that excellent report and put the resources in place for its implementation.***

MCL's Recommendations to the Finance Committee

In our recommendations, we have highlighted several areas that we believe the federal government can and should address immediately. We see movement on these recommendations as a crucial first step to the creation of a broader, long term pan-Canadian literacy strategy that will involve all levels of governments and sectors of society.

Recommendation 1: Assign funds to begin implementing the HRD Standing Committee's recommendations. The committee estimated an initial investment of about \$150 million to boost federal supports to literacy. We accept this figure as a down payment towards the creation of a more comprehensive, long-term literacy system.

Recommendation 2: Encourage the federal government to take the lead in developing an agreement with provincial and territorial governments that would ensure sustained funding for literacy and essential skills program delivery.

Recommendation 3: Assign funds to increase the annual budget of the National Literacy Secretariat to \$50 million from its current \$27 million.

¹⁸ *Raising Adult Literacy Skills: The Need for a Pan-Canadian Response*. Parliamentary Standing Committee on Human Resources Development and the Status of Persons with Disabilities June 2003

Recommendation 4: Assign funds to support the development of a multi-government Aboriginal Literacy Strategy.

Recommendation 5: Recommend that the workplace skills strategy announced in the Throne Speech includes support for both employed and unemployed workers, and that spending under Part II of the Employment Insurance Act be increased by \$100 million to provide literacy and numeracy skills training to unemployed and employed individuals who need it, regardless of their attachment to EI.

Recommendation 6: Recommend that intergenerational literacy issues be taken into account as the federal government develops its new childcare system with the provinces and territories. Improving parent's literacy is an investment in their families' economic and social prospects; and lack of affordable childcare is consistently cited as a barrier to enrollment in literacy programs.